

# INFORMATION REPORT

72841

COUNTRY

Guatemala

REPORT NO. 00-8-72341

SUBJECT

"Guatemala News Notes"

PLACE ACQUIRED  
(BY SOURCE)

CIA HISTORICAL REVIEW PROGRAM

DATE ACQUIRED  
(BY SOURCE)

20 Jan 54

RELEASE IN FULL

2003

DATE (OF INFO.) 15 Jan 54

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVELATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. THE REPRODUCTION OF THIS REPORT IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

RESPONSIVE TO	
1	2
CD NO.	
OO/C NO.	
ORR NO.	
DAS NO.	
OCI NO.	

DATE DISTR. / 2 Feb 54

NO. OF PAGES 5

NO. OF ENCLS.

SUPP. TO  
REPORT NO.

SOURCE Official of a US company with extensive interests in Latin America

This official compiles at frequent intervals a letter addressed to a chief executive of his company. These letters contain brief news items compiled from the press of the country upon which he is reporting.

1. "Temporary peace has fallen on Escuintla, where for the past four weeks [since mid-December 1953] there had been unauthorized seizures of lands exempted from the agrarian law. The tension remains, however. The decision of Major Alfonso Martínez, head of the National Agrarian Department, to remain in Escuintla for a week while investigating these excesses upon orders of President Arbenz contributed materially to bringing quiet. The newspaper El Espectador claims that Martínez' investigation so far shows that these excesses have been carried out by peasants spurred by the exhortations of the Communist leaders. For example, the Communist newspaper Tribuna Popular, 29 Dec 53, headlines its principal page one dispatch as follows: 'National Agrarian Department Accelerates Expropriations before the Growing Demand for Land.' The dispatch explains: 'Before the growing demand of the farm workers for immediate delivery of land before the sowing season, especially in the San Marcos zone, the General Confederation of Labor has urged the National Agrarian Department to take into account and do something about these lands.' El Espectador says the investigation so far has been a failure because of the aggressive attitude assumed by the Communists towards Martínez.
2. "Martínez came face to face with the Communist deputy Carlos Manuel Pellecer, who previously had been in Escuintla for one week. On the second day of Martínez' investigation, the DAN chief and Pellecer held a private conference after Martínez heard the complaints of farm owners whose lands had been invaded. What was said was not divulged but apparently both men met on friendly terms. The DAN chief and his assistants, after Escuintla, were scheduled to go to San Marcos, Quezaltenango, Retalhuleu, Suchitepequez, as well as Alta and Baja Verapaz. Martínez was quoted by Espectador as having said that he was not disposed to permit abuses under the agrarian law. He said in some cases the mandate of the law has not been respected. Martínez said that in the partitioning of the lands that priority would be given to the 'arrendantes,' then the 'mozos colonos' and finally to peasants without land. He said in this way all the problems of Escuintla would be solved.

U.S. Officials Only

The Communist tactics have been to threaten the 'colonos' to join the local agrarian movements. Their lands would be given to people from other districts. Martínez asked for the cooperation of all classes and said that those who disobey the law would have to return whatever was seized because the DAN would not permit any violations.

3. "The Communist activity in Escuintla has been led by Pellecer and Gabriel ~~Camey~~. Local agrarian committee heads who accompanied Pellecer to the meeting with the farm owners and Martínez, explained the invasions so far had been carried out under the terms of Decree 712, providing for the forced renting of lands. According to El Espectador all the authorities of Escuintla department who have anything to do with the distribution of lands are Communists or fellow-travelers from the Governor, Colonel Corleto, down, and nothing has been done to control the excesses. There were reports that Arbenz' own finca 'Le Cajón' had been violated by the 'agrarian ristas.' Some speculation has arisen that Arbenz might welcome the expropriation of his farm. Espectador added that the situation in Escuintla department is grave because the distribution of land there so far makes it apparent that the department is being converted into an experimental socialist Soviet since the majority of those benefited are affiliated with the Communist Party and others who do not hide their Communist sympathies. Espectador cited the case of the finca 'Mauricio' owned by the Melville brothers and said from that farm eight caballerías of a total of 27 previously had been expropriated under the agrarian law and that President Arbenz in ordering this expropriation had declared the remainder of the property exempt. However, agrarian invaders seized four more caballerías, two of them planted with cane sugar and two with forests planted 15 years ago. The forests were being destroyed by the invaders who converted the trees to charcoal to sell as fuel. The two caballerías planted to cane previously had been sown to citronella but unknown persons had set fire and destroyed this crop and the lands then were claimed by peasants as uncultivated lands subject to the agrarian law. The farm owners, however, replanted the lands to sugar cane which in turn was seized and worked by the invaders.
4. "The Senate speech by Senator Wiley reiterating his charge that Guatemala is a Communist beachhead caused much more of a stir in Guatemala than it did in the US. The Communist-dominated National Peasants Federation and the General Labor Confederation, as well as a leader of the Partido de la Revolución Guatemalteca, Deputy Francisco ~~Fernández~~ Foncea, all denounced the speech.
5. "Similarly, these same quarters protested the supposed declaration of US Ambassador John Peurifoy in TIME for 11 Jan 54. The newspaper Impacto (10 Jan 54) gave prominence to these declarations which said, 'Public Opinion in the US might force us to take some measures to prevent Guatemala from falling into the lap of international Communism. We cannot permit a Soviet republic to be established between Texas and the Panama Canal.' TIME added that although Peurifoy declined to say what possible measures he had recommended to Washington, 'it is a fact that Guatemala rarely has more or hand than eight days' supply of gasoline.' A spokesman for the US Ambassador said the statement was not authorized and was a bad interpretation of the Ambassador's opinions.
6. "The two federations cabled Wiley in Washington protesting his declarations, adding, 'The workers and the peasants of Guatemala are disposed to defend the conquests and the democratic regime that presides over the destinies of our country.' Fernández Foncea said he would take before the Guatemalan Congress the declarations made by Wiley as well as those made by Peurifoy.
7. "The official newspaper Diario de Centro America, commenting on these developments, said, 'Imperialism is not invincible. Guatemala has force in energy sufficient enough to face the imperialistic calumnies.'

8. "In Washington the past week to pack up his belongings before returning to Guatemala to become Foreign Minister, Ambassador Toriello called a press conference after bidding President Eisenhower farewell at the White House. At the press conference he said: 'It is not true that we are a Communist country. We have been exercising eminent domain and taking property according to our agrarian law.' Toriello also bade farewell to the State Department and during this had a 90-minute conference with Under Secretary Walter Bedell Smith. Afterwards Toriello said that he expected a 'clear improvement' in the relations with Guatemala and the US. He denied at that time he had discussed the Wiley speech with Smith.
9. "The National Coffee Office announced the 1952-53 coffee crop totalled 1,237, 894.67 quintales, down 61,975 from 1951-52. The 1952-53 crop was valued at Q65,713.365, down Q5,359.457 from 1951-52. Significantly enough the drop in Guatemala's coffee production came during the first year of the so-called agrarian reform law. Impacto of 7 Jan 54 expressed the belief that the decreased production is due to abandonment of some coffee farms. The official figures showed the government has had no success so far in its efforts to increase markets for Guatemalan coffee other than the US. Of the last crop the US took 1,054,673; Germany, 53,219; Belgium, 41,239; Holland, 37,713; Sweden, 25,679; Italy, 6,995; France, 5,278; England, 159; Spain, 3, and Japan, .67 quintales. It is noteworthy that Guatemala's production principally came from 26 farms where the production was five thousand quintales; 12 farms with a production of 7,500 quintales; and nine farms where the production is in excess of ten thousand quintales.
10. "The Ministry of Agriculture predicted that the 1953-54 crop would be as large as those of the recent past years. He said the new crop cannot be less than the previous year and disclosed that for the 1952-53 year there had been a larger production expected but this did not come about.
11. "The Escuintla election result was unsuccessfully appealed to the National Electoral Board because of alleged fraud which won the post for the absentee Communist candidate, Gabriel Camey, who was in Moscow during the election. As a result of the appeal Camey has been unable to take his seat but the Communist leader Deputy Carlos Manuel Pellecer has been attempting to put Camey into office despite the fact the election has not been approved by the election authorities. Pellecer's efforts have been protested to the board. Subsequently the board ruled in Camey's favor. He took office immediately after the ruling. Urged on by Communist agitators crowds of people had gathered in La Unión park demanding that Camey be seated, and reinforced police squads turned out to keep the crowds under control.
12. "Impacto calls the government of President Arbenz 'chaotic,' and points out that in the Pan American Airways warehouse are packages of medicine ordered and paid for by the government costing 700 quetzales, but still there after many months because officials do not want to pay Q20 for the air freight. In the central customs office there are various pieces of medical equipment all paid for by the various government agencies but not removed for failure to pay the freight rates and concluded, 'There is not doubt, Señor Presidente, that your subalterns do not wish to work. You will not get anywhere with this class of people, and your name will go down in history as a governor of good intentions but without practical realizations.'
13. "The Partido de la Revolución Guatemalteca is holding its first national convention over the week end [20 Jan 54] and some heated debate was expected to come from discussion of the party manifesto which places the party almost side by side with the Communist Guatemala Labor Party.
14. "The newspaper La Hora of 12 Jan 54 headlined the manifesto 'PRG identified with the Communist Party.' The manifesto says 'the Guatemala Revolution Party is not alone' in the 'constant fight to maintain and strengthen the creation

of the democratic forces. The Guatemala Labor Party has coincided with the democratic and revolutionary life of our party and its leaders have been actively interested in fortifying the unity of the democratic forces to preserve the country from the threat of interventionists that currently faces it. The product of this interest was its establishment of a 'united front of the masses' which is a new force designed to solve the problems which face the leaders themselves under the national democratic front.

15. "The statement charges an international conspiracy exists against Guatemala, attacks the opposition press in Guatemala as traitors, accuses its colleague in the national democratic front, the PAR, of having weakened the national front and calls on the Renovación Nacional to strengthen its internal situation so as not to further weaken the national front. It urges a strong national front to solve the not too distant problem of presidential succession, arguing that the candidate cannot be the representative of any one party but of all the parties of the coalition. The PRG called for fulfillment of the program of the Arbenz government. The manifesto pointed out the national congresses are shortly to be held for the General Confederation of Laborers of Guatemala and the National Peasants Federation and calls on these organizations to collaborate to win the unity of the democratic forces in Guatemala.
16. "The manifesto said that the agrarian reform could be a unifying influence in the Guatemala Revolution but that it has been utilized to satisfy party or factional interests, and during the first eight months of 1953 the agrarian reform was seriously threatened by political favoritism.
17. "The political partisanship in Guatemala department has become so flagrant that the Governor of the province called a meeting of the 16 mayors to urge less politics and more attention to administration. Meanwhile, the temporary governor of Xelaju, Manuel Aparicio Pagannini, called upon the authorities in his department for rapid but correct application of the agrarian law.
18. "The day after the return from Moscow of the Secretary General of the Communist Party, José Manuel Fortuny, an organization known as the Union of Free Workers issued a statement opposing the maneuvers of the Communists in the Guatemalan Confederation of Labor. The statement said the Union Nacional de Trabajadores is an organization active in public life. It said, 'We will fight for the workers of Guatemala, knowing very well that they are victims, partly from a blow of men without a country, a blow from the Communists who have come to create an end without its unnecessary problems and who are guilty today.' The Union denied it had been taken under the CGIG's wing and said that it had been founded without political maneuvers. At the same time it condemned the Communist measures.
19. "At the Incatecu shoe factory the workers ousted their Communist union leaders who were charged with seeking to turn the factory into a Communist cell and with obstructing the cordial worker-employer relationships.
20. "For the second time in almost a year the Guatemalan government had refused to exhibit a US motion picture dealing with Communism. The picture entitled 'El Filo de la Vida' was suspended on the day of its premiere but the Minister of Public Education, Ardoqueo García, after it had been revised again by the censors, ordered a complete prohibition of the picture. The first US motion picture dealing with the Communist problem which was prohibited was 'The Red Menace'. In the meantime, the Soviet film, 'El Gran Concierto' is being exhibited in Guatemala City and this was described by 'El Espectador' on January 5 as a compelling and subtle piece of Soviet propaganda.
21. "Although reports have been published in Guatemala City that Guatemala will be represented at the March Conference of the Organization of American States, Foreign Minister Raúl Quesada so far has refused to confirm or deny them and will say only, 'Guatemala belongs to the OAS.' He declined to say whether this meant Guatemala would be present. The newspaper 'Imparcial' published with great prominence a version saying that Guatemala will attend and that the delegation will be headed by Toriello, assisted by Manuel Parich, Ex-Foreign Minister

and Ex-Ambassador to Uruguay. Galich has been appointed Ambassador to Argentina. Osegueda is expected to go to Uruguay although there have been reports he will retire to private life. 'Imparcial', who said that its information came from an extra-official source, added that Ex-President Arevalo declined to be a member of the delegation for personal reasons but he had counseled the attendance of Guatemala at the meeting. Osegueda limited his discussion, saying merely that the Guatemalan government will consider the question of attendance during the month of January. There was some speculation that the final decision would be not to attend in view of the increased appearance of unfriendly comment in the official circles about the conference. The FRG, whose Secretary General is Minister of Government Augusto Charnaud MacDonald, issued a statement that said the conference constitutes a conspiracy against Guatemala and is a mechanism for plans of interventionists.

22. "So far there has been no confirmation of Washington reports Guatemala is about to renew diplomatic relations with Venezuela. The Venezuelans have expressed their readiness to resume diplomatic relations.
23. "There has been no official announcement of the pending cabinet changes which, besides Toriello, moves presidential secretary Jaime Díaz Rozzotto into the post of Minister of Economy and Labor replacing Roberto Fanjul.
24. "Although Raul Sierra Franco has taken over as Finance Minister, a hitch has developed in the ascension of his predecessor, Gergorio Prem Beteta to the presidency of the Instituto de Fomento de la Producción. This change was made January 6, and a week later Prem Beteta still had not been sworn in. Instead of resigning as previously reported, Prem Beteta told reporters his replacement as Finance Minister came as a distinct surprise but that he was pleased with his new job. There has been no reason given for the delay in his assumption of the INFOP post except that he has been conferring with Sierra Franco about the workings of the Treasury. The former director of the INFOP, Angel Xuñez Aguilar, was transferred to the Ministry of Agriculture. So far the only comment on this cabinet change has been in 'Impacto' which says the appointment of Sierra Franco is an 'indication of the beginning of an end of an era in which party leaders were appointed to the ministerial posts for political reasons and that an era of better administration is now pending.
25. "Roberto Fanjul continues as Minister of Economy despite the report he would be succeeded by Jaime Díaz Rozzotto. Fanjul returned January 13 from a week's visit to Los Angeles, on which he was accompanied by President Arbenz' private secretary, Humberto González Juárez. 'El Espectador' described as 'mysterious' the visit to Los Angeles."